

UNION PACIFIC RAILROAD COMPANY

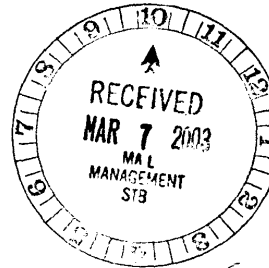
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March 6, 2003

VIA U.P.S. OVERNIGHT

The Honorable Vernon A. Williams
Secretary
Surface Transportation Board
1925 K St., N.W.
Washington, DC 20423-0001



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**RE: STB Docket No. AB-12 (Sub-No. 184X) -- Abandonment of Rail Line
Between Wendel and McArthur, California**

Dear Mr. Williams:

This refers to the March 3, 2003 letter of the United States Bureau of Land Management ("BLM") requesting an extension of time for trail use negotiations on the above Line. (Copy attached)

While the UP does not agree with all of the statements in the BLM's letter, UP is agreeable to an additional trail use negotiating period of 180 days for BLM or other entities that may desire to negotiate for trail use. UP further states that it has not consummated the above abandonment so the Board continues to have jurisdiction over the Line.

As background information, the above abandonment/discontinuance was exempted by the Board in September, 1996 as part of the Board's decision approving the UP/SP merger. The exemption was subject to a negotiating period for trail use (NITU), which has been extended several times at UP's request. The most recent extension will expire on March 7, 2003. UP remains ready to dispose of the Line, and initially notified the prospective trail sponsors of this on January 24, 2002. UP has begun salvage operations to remove the track structure on the Line. This activity is legally permitted and will not adversely affect the NITU process. The salvage operation will not remove the bridges, culverts and other drainage facilities on the right-of-way. Therefore, a continuous parcel for trail use under NITU remains and is available to BLM or other entities that may desire trail use.

An additional ten (10) copies of this letter are enclosed for the Board's use.

Sincerely,

Mack H. Shumate, Jr.
Senior General Attorney

ENTERED
Office of Proceedings

MAR 7 2003

Part of
Public Record

Enclosures

O:\ABANDONMENTS\12-184X\STB-002.wpd

cc: Ms. Linda D. Hansen
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United States Department of the Interior
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Susanville, CA 96130

Rails-to-Trails Conservancy
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Mr. Charles Montange
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The Honorable Dick Steyer
Mayor, City of Alturas
200 North Street
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Mr. Scott Kesler
City Planning Director
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Mr. Willie Hagge
Chair, Board of Supervisors
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204 South Court Street
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United States Department of the Interior

BUREAU OF LAND MANAGEMENT

2950 Riverside Drive
Susanville, California 96130In Reply
Refer to:

8300; (CA-350)

Mr. Vernon A. Williams
Secretary
Surface Transportation Board
1925 K Street, NW
Washington, D.C. 20423-0001

MAR 3 - 2003

RE: Docket No. AB-12 (Sub-No. 184X) Abandonment Exemption - Wendel-Alturas Line,
California (Related to FD 32706); Request for Extension of Negotiations For Trail
Use

Dear Mr. Williams:

The Bureau of Land Management (BLM) Eagle Lake Field Office, with the concurrence of the BLM Alturas Field Office, remains very interested in pursuing negotiations for railbanking of the Wendel-Alturas Line referenced above, under the Surface Transportation Board's (STB) rules for Interim Trail Use and Rail Banking, 49 CFR 1152.29. This includes the entire Wendel to Alturas Line.

Through this letter we request that you extend the negotiating period under the Notice of Interim Trail Use (NITU) one year to enable the Bureau of Land Management and Union Pacific Railroad to negotiate rail banking of the Modoc Line referenced above in Docket No. AB-12 (Sub-No. 184X). This additional time is needed for BLM to negotiate with UPRR regarding the value of the lands to be rail banked and for BLM to secure funding to carry out rail banking arrangements negotiated with UPRR. The NITU negotiating period regarding this line will to expire in four days on March 7, 2003.

Since the extension of the NITU last year, no negotiations have occurred between BLM and UPRR. Following UPRR's 1-24-02 letter to BLM (copy enclosed) notifying us that salvage would soon occur, we contacted UPRR's real estate division in Omaha but have not received any information regarding what values UPRR claims to hold on the subject segment of the Modoc Line approved for abandonment. Absent this information, BLM has not been able to proceed with negotiations under the NITU.

Lack of information from UPRR appeared to be a continuation of a prolonged holding period of the Modoc Line by UPRR following STB's approval for abandonment under the UPRR/SPRR merger approved on August, 6, 1996. During this time we have supported and continue to support Modoc and Lassen Counties' positions and efforts to save the line. Modoc County has been the primary proponent of saving the line and we have deferred to their efforts to keep the track in place prior to exercising rail banking as a last option to preserve the railroad right-of-way.

If the rails are removed, BLM would become the reversionary owner of approximately 50% of the line. By retaining linear continuity of the line through rail banking, the right-of-way could be preserved for possible future rail use and in the interim, trail use would be appropriate, with some segments having more utility for trail use than others. If rail banking can be negotiated, trail planning would follow with public involvement a key part of developing a management plan for the trail.

WA-RR/STBLtr_RIBnkExten_3-3-03

Recently we became informed through a local newspaper article that UPRR has taken steps through a signed salvage contract to consummate the abandonment. Following the salvage article, we spoke with Mack Shumate, UPRR Law Department, Chicago, IL who confirmed that a salvage contract has been signed and salvage is about to occur. Based on this information, it is now imperative that UPRR and BLM begin active negotiations for rail banking the Modoc Line. Providing opportunity to negotiate rail banking is required in the conditions of the UPRR/SPRR merger, Finance Docket 32760, August 6, 1996, pages page 234, item 41 and Page 235 Item 51 item (d).

To date there has been no rail banking negotiations because UPRR has not provided sufficient information from which to discuss right-of-way acquisition costs and options. We need to know what lands UPRR claims to own, what type of title they hold and what value they place on the lands and structures they claim title to. This information is essential in order for BLM to begin the negotiation process and seek necessary funds to carry out a rail banking agreement. Based on this lack of information, we have not been able to begin negotiations and request that the NITU be extended for another year.

With salvage about to occur, we are particularly concerned that the salvage operation does not remove bridges, culverts and other structures underlying the track that would be needed for future trail use of the line if rail banking occurs. We are also very concerned that salvage operations may begin without consultation with our office and the Alturas office of BLM regarding our long term needs under possible rail banking as well as our federal responsibilities for managing the lands that will revert to BLM management with or without rail banking. As managers of approximately 50% of the land base crossed by the abandoned segment of the Modoc Line and as potential managers of the entire abandonment through rail banking it is essential that we be informed of when and where the salvage will occur, who in UPRR is responsible for the salvage contract, and who in UPRR is on the ground administering the salvage work. By working together with UPRR and the salvage operator we should be in a better position to insure that structures necessary for trail use remain and that surface disturbing work and salvage related access to the right-of-way across BLM land does not create drainage problems or other salvage related problems on adjacent lands managed by BLM.

We appreciate your consideration of this request for an extension. We request that you reaffirm the conditions of rail banking specified in the merger and extend the negotiating period for rail banking one more year. A copy of our 3-3-03 letter to UPRR is enclosed. If you need any additional information, please contact Stan Bales, BLM Recreation Planner at (530) 257-0456.

Sincerely,


Dayne Barron
Field Manager
Eagle Lake Field Office

cc: mack shumate, uprr -chicago
congressman doolittle, sacramento
lee chauvet, ne cal rac
scott kessler, modoc county
lassen cnty trans com
kate bickert, rtc - sf

encl: uprr ltr, 1-24-02
blm ltr to uprr, 3-3-03

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